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TAGS: [PGOV](#) [PREL](#) [LH](#)
SUBJECT: PARLIAMENT OUSTS SPEAKER IN LATEST LITHUANIAN
POLITICAL DRAMA

Classified By: Political-Economic Officer Nancy Cohen
for reasons 1.4(d).

Summary

¶1. (C) The Lithuanian parliament removed Speaker Arturas Paulauskas April 11 in an overwhelming vote of no confidence that resulted in his New Union party's departure from the ruling coalition. It appears the remaining three coalition partners will succeed in retaining control of the government with a slim parliamentary majority. Both New Union government ministers -- Foreign Minister Valionis (now traveling in Asia) and Social Welfare Minister Blinkeviciute -- have submitted their resignations. Though Paulauskas's removal nominally resulted from charges of Parliamentary mismanagement, the episode probably masks a power struggle between the dominant coalition partner Labor Party and the Social Democrats of Prime Minister Brazauskas. We expect Lithuania's foreign policy direction will remain solid while this new internal political drama plays out. Senior officials assured us April 12 that the May conference on eastern European democratization that Vice President Cheney plans to attend remains on track. End Summary.

Rising Tide of Scandals and Acrimony

¶2. (U) The Parliament held the no-confidence vote on the initiative of Conservative Party leader Andrius Kubilius, who said he aimed to draw attention to recent scandals involving misuse of Parliamentary resources. After the ruling coalition removed party discipline for their members on the issue, significant numbers of them joined with opposition deputies to deliver a 94 to 11 vote of no-confidence against Paulauskas in the 141-seat Parliament. The no confidence vote follows a crescendo of allegations of public impropriety and government corruption that have dominated the front page for months. Since late 2005, Prime Minister Brazauskas has been fending off charges that his wife illegally or unethically benefited from his office in a real estate deal that aimed to influence the sale of Lithuania's Mazeikiu Nafta oil refinery. Since January, three presidential advisors have resigned their posts in response to allegations of impropriety. Labor Party leader Viktor Uspaskich has launched repeated salvos at the President's office, alleging incompetence and deceit in managing the Presidency.

Immediate Impact

¶3. (U) The Parliament replaced Paulauskas with the Labor Party's Vydas Gedvilas as Acting Speaker until the coalition chooses a new speaker. Immediately after the no-confidence

vote, Paulauskas announced the withdrawal of his party from the ruling coalition, including Foreign Minister Valionis Antanas Valionis (now on a trip to China and South Korea) and Social Welfare and Labor Minister Vilija Blinkeviciute. The fate of most of the NU's chairs of various parliamentary committees and deputy ministers remained unclear April 12, though the NU chair of the Anti-Corruption Committee, Algirdas Monkevicius, gave up his chairmanship.

¶4. (U) The government's three remaining coalition partners -- the Labor Party of Russian-born tycoon Viktor Uspaskich, the Social Democrats of Prime Minister Brazauskas, and the Farmer's party of Kazimiera Prunskiene -- seemed set to hold on to government with a bare majority of 71 seats. Social Democratic parliamentary floor leader Juozas Olekas told the media April 12 following a meeting of the coalition that his party expects the coalition will continue to function at three and that the Government will remain intact and that Brazauskas would not resign. Olekas suggested that the Labor Party might name a permanent Speaker to replace Paulauskas.

¶5. (U) Meanwhile, President Valdas Adamkus demanded April 11 that the remaining coalition parties "assume full responsibility for governing" and "refrain from destabilizing the state."

Opposition Aims to Exploit Instability

¶6. (U) Despite the apparent determination of the remaining coalition partners to remain in power, opposition leaders believe they have an opportunity to bring down the government either through a new coalition or early parliamentary elections. Opposition leader Andrius Kubilius told us that he hopes to meet April 12 with Olekas to discuss the

possibility of forming a rainbow coalition government. Kubilius has also floated in the press the possibility of calling for new parliamentary elections. So far, the remaining members of the ruling coalition of not expressed any public interest in either option.

May Conference to Go Forward

¶7. (U) Meanwhile, senior Lithuanian diplomats briefed the Vilnius diplomatic community April 12 that the political crisis would have no impact on Lithuanian foreign policy. They confidently predicted that the May 3-5 conference on "A Common Vision for a Common Neighborhood" that Vice President Cheney plans to attend would take place as scheduled. The Conference aims to facilitate greater transatlantic support for the fledgling democracies to Lithuania's east and south -- a theme the diplomats said would remain central to Lithuanian foreign policy.

Comment

¶8. (C) It is clear that both the Laborites and Social Democrats gave their blessing to opposition efforts to remove Paulauskas, probably to widen the field in the two parties' ongoing struggle over power and the allocation of EU resources. The possible impending nationalization and resale of the Mazeikiu Nafta oil refinery within the next few weeks -- which could generate significant new financial resources for the government -- could also have played a role. It didn't help that in addition to allowing the Parliamentary staff to abuse its privileges that Paulauskas has repeatedly ruffled feathers in the coalition. Labor Party leader Uspaskich hardly conceals his disdain for his coalition partners, and it is reasonable to assume he seeks vengeance for the coalition's failure to support him in fighting his own allegations of corruption.

¶9. (C) We believe it unlikely that the opposition will soon get its wish to either participate in a new government or force new elections. But the increasingly ugly overtones

among the remaining partners in this fractious coalition seem a certain recipe for continued stress within the coalition. Fortunately for U.S. interests, this crisis seems likely to have no impact on Lithuania's continued staunch support for U.S. interests in Europe and beyond.

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